

TELE-MEDIA CORPORATION OF DELAWARE

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April 8, 2005

Via electronic filing

Ms. Marlene H. Dortch Office of the Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Re: American Cable Association Petition for Rulemaking, RM-11203

Dear Ms. Dortch:

On behalf of Tele-Media Corporation of Delaware, I write to express our strongest support for ACA's petition for rulemaking on retransmission consent. We operate an independent cable company that serves customers in smaller, rural areas, and I can verify that the petition accurately describes the upcoming retransmission consent crisis. Broadcasters, including those in my markets, have made it clear that they will force us to charge an additional \$5 to \$6 per subscriber per month for basic cable, to cover new demands of cash for carriage. ACA's solution to this problem is procompetition, pro-consumer, and deregulatory. It will benefit the consumers served by my company and will help keep down the costs of basic cable.

Provided below is some information about my company and why we think the Commission needs to grant ACA's petition.

Company Background

Our company was founded in 1970 by two Centre County, Pennsylvania cable pioneers who go back in the industry to 1956 with C-Cor and Centre Video Corporation.

We are still today a small rural MSO and currently serve 4,600 subscribers in two states, Pennsylvania and North Carolina, from seven (7) headends.

Tele-Media is now in its fourth go around in cable as we have sold most of our operating assets to (1) TCl, (2) Time Warner-Fanch, and (3) Cebridge Communications, respectively, in our history.

We have continuously upgraded our systems over the years and have spent tens of millions of dollars bringing modern CATV services to our customers, i.e., pay TV, VOD, VOIP, high-speed data, digital cable, etc. We have worked hard over the last 35 years and have really not enjoyed much profit taking, especially since the DBS folks began

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eating our lunch along with the phone companies, power companies, wireless cable companies, municipal overbuilds and the like.

Now the broadcasters are demanding cash for carriage and/or our consent to carry additional programming which we have absolutely no interest in or use for in our rural cable systems. Their demands come on a take-it or leave-it basis and their attitude is most always acrimonious.

We simply do not have the margins to cope with the increased cost of programming for retransmission consent and/or additional unwanted bundled programming without significant monthly subscriber rate increases. Our subscribers will be plenty angry with higher cable rates as they are continuously coping with the higher cost of living, including ongoing outrageous gasoline price increases.

We will lose subscribers if we are forced to pay fees for retransmission consent and we could possibly wind up becoming insolvent.

Our company has its neck way out there in providing rural cable services. Frankly, we're losing our appetite for all the risk as the returns are continuously diminishing and the government is not helping the situation one bit. We simply cannot afford to pay the 40 to 50 cents per subscriber per month to six to eight broadcasters for retransmission consent and absorb these costs. Programming costs now amount to over 60% of our operating costs. These costs now outstrip all other operating expenses.

Why we support ACA's Petition

Basically, all that ACA asks for is a right for us to shop and only when a broadcaster demands a price for retransmission consent. In our markets, I know this will work to lower the cost of retransmission consent for my customers.

First, I know that I could obtain network programming at a lower cost from other broadcasters. I can do this by receiving signals from neighboring markets.

Second, if the broadcasters in my market know alternatives exist, I am confident I will be able to negotiate a lower price. That works in every type of transaction, and it will work in retransmission consent.

As stated in the petition, the main problem is not that broadcasters demand a "price" for retransmission consent. The problem is that they block our ability to find lower-cost alternatives. The petition shows how this problem will easily cost consumers and smaller cable operators upwards of \$1 billion next year. In our markets, broadcasters demands will cost my company and our subscribers at least \$248,400 per year plus the cost of any new equipment and its operating cost and the cost (value) of lost bandwidth.

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By making the limited changes requested by ACA, the Commission will bring some market discipline to retransmission consent "pricing." This will help to keep our costs down and will benefit our consumers.

Our concern for localism

As a final point, I want the Commission to know that we support local broadcasting and prefer to carry our local broadcasters. We currently provide continuous coverage of local programming on our cable systems. We understand the importance of local programming, but we also understand how much our customers are willing to pay for it. The problem is the higher prices being demanded by more and more owners of these stations. Most often the owners are based in corporate headquarters hundreds or thousands of miles away. Frankly, they don't care about localism. They just want our customers' money.

We fully support a fair exchange of value for carriage of local signals. But when broadcasters demand a "price," we need the ability to "shop" to get a "price" that fairly reflects the value of the signal. Please act on ACA's Petition as soon as you can.

Sincerely,

Frank R. Vicente

Sr. Vice-President for Operations

and Assistant Secretary